

**SCOTTSDALE TOURISM DEVELOPMENT COMMISSION
SCOTTSDALE CONVENTION & VISITOR'S BUREAU BOARD ROOM
GALLERIA CORPORATE CENTER
4343 N. SCOTTSDALE ROAD, SUITE 170
SCOTTSDALE, ARIZONA
OCTOBER 21, 2003
MINUTES**

PRESENT: Tom Morrow, Chairman
Shaun Robinson, Vice Chairman
Margaret Dunn, Commissioner
Sally Shaffer, Commissioner
Ned Sickle, Commissioner

ABSENT: Ken Goldfine, Commissioner
Jerry Gleason, Commissioner

STAFF: Kathy Montalvo
Kathy O'Connor
Rebecca Eickley
Brad Gessner

OTHERS PRESENT FOR ALL OR PORTIONS OF THE MEETING:

Councilman Ecton
Rachel Sacco
Brent DeRaad
Tim McGrane
Matt Lehrman
Davida Schiffman Smith
Kathy Duley
Lou Jekel
Mary Brown
Jim Brown
Barbara Dietz
Amber Glick
John Hernadez
John Bridger
Jayne Heckman
Carolyn Kiburz
Janice Wight
Jim Tysseling
Mimi Tysseling
Celeste Winters

CALL TO ORDER

Chairman Morrow called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:00 a.m.

ROLL CALL

A formal roll call confirmed members present as stated above.

APPROVAL OF MINUTES

A MOTION WAS MADE BY COMMISSIONER SICKLE TO APPROVE THE MINUTES OF THE SEPTEMBER 18, 2003 MEETING MINUTES AS PRESENTED. THE MOTION WAS SECONDED BY COMMISSIONER DUNN AND PASSED UNANIMOUSLY.

BED TAX COLLECTION REPORT AND FINANCIAL REVIEW

Ms. O'Connor discussed the status of the bed tax receipts for the first three months of FY03-04 noting they are down by 2%. The good news is the restaurant sales taxes are up 10%.

Ms. Eickley discussed the tourism pro forma noting they have made a couple adjustments to it since last month. The Taliesin project will not be completed this fiscal year so they have moved \$142,000 into next fiscal year. She reported that they would not be issuing bonds for the Loloma Museum this year so that would be a savings of \$80,000. She further reported the bed tax is down 2.3% year to date and the city made the decision to reduce the estimate of bed taxes down to \$6.5 million. She stated that she would like direction from the Commission regarding whether they felt they should reduce the estimate on bed taxes. The consensus of the commission was they would support that recommendation.

SCOTTSDALE CONVENTION & VISITOR'S BUREAU UPDATE

Ms. Sacco updated the Commission on what the CVB staff is working on. She discussed what is occurring in conjunction with Culture Quest. She reported the Destination Guide would be sent to the printer by the end of this week. She further reported they would have a satellite visitor's center in Scottsdale Fashion Square.

SIGNATURE EVENT PROPOSAL PRESENTATIONS

Chairman Morrow stated they would limit each event to a 10-minute presentation. He further stated that there are 10 events and three of them did not meet the criteria to qualify for Signature Event status.

Lou Jekel stated he represents Mary Brown and Festival of the West. He further stated this an national and international western event. He reported they are requesting the maximum amount of funding.

Mary Brown, Festival of the West, provided an overview of this event. She report 55,000 people attend this event over four days. She discussed how this event adds to the destination enhancement. She commented they have been working closely with the CVB. She reviewed the marketing and PR for this event. Ms. Brown played a TV commercial that ran 25 times and was viewed by 60 million households.

Chairman Morrow stated he went to the web site and it indicated that commercial was viewed in 20 million households. Ms. Winters stated they probably factored how many people were in each household so 60 million viewers viewed it.

Tim McGrane, Barrett-Jackson stated earlier this year they provided a recap of the 2003 event. He reported that approximately 175,000 attended this event over 4 days. He further reported that Speed Channel will be broadcasting 15 hours of live coverage at the event. He reviewed the PR and marketing for this event.

John Bridger, FBR Phoenix Open, thanked the Commission for their support. He reported the Phoenix Open has a new title sponsor that will enable this event to grow and ensure that they attract the top players. He further reported they felt FBR is the perfect partner. He provided background information on FBR. He noted they have entered a long-term agreement with FBR. He noted this event generates 2,000 room nights.

Commissioner Sickel expressed his concern that a no-name organization is heading up this event and possibly taking away the southwest Scottsdale experience. He inquired how they intend to continue to showcase the Valley and attract people to this destination. Mr. Bridger stated it was not an easy process for them to change the name but because the capital this company is putting forward, they want their name attached. He further stated they want to keep it the FBR Phoenix Open so they don't lose the identity.

John Hernandez, Arizona Sun Country, reported this is the 31st anniversary of this event and their 16th year at WestWorld. He further reported this event benefits the Arizona Humane Society Equestrian Program. He reviewed the marketing and PR for this event. He provided information on the Wild West Show. He noted they work with eight hotels. He concluded they have a proven track record and enhance Scottsdale as a destination.

Donna Powell, Arizona Sun Country, stated they have been working with Barrett-Jackson on joint advertising. They are working on some children's events.

Commissioner Sickel stated he is concerned about the overlap with Barrett-Jackson not so much operationally but how it impacts the city. Mr. Hernandez noted that their audiences are very different.

Jim Tysseling, Fiesta Cluster Dog Show, stated he would request the Commission consider the event to assist the in promoting their event.

Mimi Tysseling, Fiesta Cluster Dog Show, provided an overview of this event. She reported that 99% of their shows have been held in Scottsdale. They bring in exhibitors from across the country. She further stated that the dog show would be televised. She noted that this event contributes to Scottsdale's economy. She requested they consider this event for Signature Event status.

Mimi Tysseling, Fiesta Cluster Dog Show, presented information on this event. She reported that three to four people travel with each dog. They booked over 9,000 room nights and 3,000 RV spaces for this show. She noted they advertise in all the dog show publications. They estimate to exceed 50,000 attendees. She further noted they would request the Commission's support.

Chairman Morrow stated he should have mentioned this at the beginning of the presentation that the Fiesta Dog Cluster show did not meet the minimum criteria.

Amber Glick, IMG Men's Tennis Tournament, reported this event meets all of the criteria. She further reported this event appeals to the target audience. She provided an overview of their PR and marketing campaign for this event. She noted they have been working with the CVB to find additional ways to promote this event. She remarked they use a number of hotels but primarily the Princess. She further remarked 20% of the spectators are from out of state.

Commissioner Sickel stated it is his understanding the women's tournament was sold. He inquired how this would impact Scottsdale in terms of room nights. Ms. Glick replied the women's tournament has been sold but felt it would have a minimal impact on room nights. He reported they have not changed how they are promoting the event and would maintain the same level of advertising.

Matt Lehrman, Scottsdale Arts Festival, reported this is the first time they have submitted an application for funding. He provided an overview of the event. He discussed why this event is successful. He remarked they qualify for three out of the four criteria. He reviewed their PR and marketing campaign. He commented on the fact that they have learned over the last few years how significant art and culture is to Scottsdale. He further commented this is a top-quality festival. He discussed the quality of the experience this event provides. He commented he understands that the Commission's financial resources are stressed this year noting that they would point out even the recognition that the status of the Signature Event carries would be desirable without the dollars associated with it.

Chairman Morrow reported that he had a conversations with Frank Jacobson over the past few years regarding why they have not applied for funding. His answer has been given the amount of money the City gives to the Cultural Council he felt it would be

double dipping. He inquired how come they have changed their mind. Mr. Lehrman provided the basis for how their funding works and the shortfalls to their budget noting the TDC money would assist them in growing their event. Commissioner Sickles stated he would look more favorably upon this event if it generated more room nights because it primarily seems like a local event.

Jayne Heckman, Scottsdale Culinary Festival, stated she would like to address the issue of attendance. It has been noted that his event only generated 30,000 attendees but the civic Center Mall was at its capacity of 53,000. She provided an overview of this event. She noted they feature 100 local restaurants. She reviewed their advertising and PR for this event. She further noted there are people coming from all over the country to attend this event.

Chairman Morrow requested clarification on the attendance figures. Ms. Carlisle reported the number comes from the event follow-up report and that is the number they are bound by.

Kathy Duley, Scottsdale Art Walk, provided an overview of the event. She reported 50% of the attendees are local and 50% are from out of town. She provided information on the three special art walks. She discussed the marketing and PR for these events. She reported over the course of the year the art walks generate 100,000 people to the downtown. She remarked they are working with the CVB to develop a new and expanded art walk to attract more people from out of town. She concluded the Gallery Association thanks the Commission for their continued support.

Commissioner Sickles inquired how the TDC funds are used. Ms. Duley replied they are used for advertising, promotion, and one third of their entire budget.

Janice Wight, Arabian Horse Show, reported they are proud to be called the original signature event. She further reported they have horses from almost every state and 12 countries. She discussed the charities they work with. This event generates 11,000 room nights. She noted the event keeps on getting bigger. She discussed the marketing and PR for this event. She concluded they cherish their Signature Event status.

Ms. Carlisle reported included in the Commission packet was the Signature Event Evaluation. She further reported last year the Commission decided to fund only at an 80% level due to the shortfalls in the bed tax. She noted there have been some conversations at keeping the funding at the 80% level as last year again because of the considerable revenue shortfalls.

Chairman Morrow stated that the Commission needed to decide on the process. The consensus of the Commission was that although they felt the system was flawed they did not think that today was the day to adjust the evaluating process so they would use the process used last year. And at the November retreat, they would update the process.

Commissioner Dunn stated she felt western theme events create a higher enhancement and should received increased funding.

Chairman Morrow stated he would support \$240 per point, which is consistent with what they did last year. A discussion ensued regarding whether they should abide by the \$20,000 maximum amount. It was determined that it would not make a significant difference to abide by that rule.

Ms. Carlisle reminded the Commission that the Fiesta Cluster Dog Show, Scottsdale Culinary Festival and Scottsdale Arts Festival did not qualify for signature event status.

Commissioner Sickie requested staff make available to the Commission a list of all the upcoming signature events.

Commissioner Sickie stated with regard to the events that did not qualify there is special event funding that they could apply for.

A MOTION WAS MADE BY COMMISSIONER SICKLE TO SUPPORT THE FESTIVAL OF THE WEST IN THE AMOUNT OF \$11,700.00. SECOND BY VICE CHAIRMAN ROBINSON. THE MOTION PASSED BY A VOTE OF FOUR (4) TO ONE (1) WITH COMMISSIONER DUNN DISSENTING.

A MOTION WAS MADE BY VICE CHAIRMAN ROBINSON TO SUPPORT THE BARRETT-JACKSON CAR SHOW IN THE AMOUNT OF \$21,840.00. SECOND BY COMMISSIONER SICKLE. THE MOTION PASSED BY A VOTE OF FOUR (4) TO ONE (1) WITH COMMISSIONER DUNN DISSENTING.

A MOTION WAS MADE BY COMMISSIONER SHAFFER TO SUPPORT THE ARIZONA SUN COUNTRY HORSE SHOW IN THE AMOUNT OF \$12,048.00. SECOND BY COMMISSIONER SICKLE. THE MOTION PASSED BY A VOTE OF FOUR (4) TO ONE (1) WITH COMMISSIONER DUNN DISSENTING.

A MOTION WAS MADE BY VICE CHAIRMAN ROBINSON TO SUPPORT THE FBR PHOENIX OPEN IN THE AMOUNT OF \$21,734.00. SECOND BY COMMISSIONER SICKLE. THE MOTION PASSED BY A VOTE OF FOUR (4) TO ONE (1) WITH COMMISSIONER DUNN DISSENTING.

Ms. Carlisle stated the Fiesta Cluster Dog Show did not meet the criteria for funding.

Chairman Morrow stated a topic at the retreat might be to consider granting events such as this with the Signature Event status without giving them funding.

Chairman Morrow inquired if they needed a motion on this event. Ms. Carlisle replied they did not need a vote.

A MOTION WAS MADE BY VICE CHAIRMAN ROBINSON TO FUND THE IMG MEN'S TENNIS TOURNAMENT IN THE AMOUNT OF \$12,057.00.

SECOND BY COMMISSIONER SICKLE. THE MOTION PASSED UNANIMOUSLY.

COMMISSIONER SICKLE MADE A MOTION TO FUND THE SCOTTSDALE ART WALKS IN THE AMOUNT OF \$17, 472.00. SECOND BY COMMISSIONER SHAFFER. THE MOTION PASSED BY A VOTE OF FOUR (4) TO ONE (1) WITH COMMISSIONER DUNN DISSENTING.

A MOTION WAS MADE BY COMMISSIONER SHAFFER TO FUND THE SCOTTSDALE ARABIAN HORSE SHOW IN THE AMOUNT OF \$18, 720.00. SECOND BY VICE CHAIRMAN ROBINSON. THE MOTION PASSED BY A VOTE OF FOUR (4) TO ONE (1) WITH COMMISSIONER DUNN DISSENTING.

Chairman Morrow commented that he felt this process was seriously flawed.

Councilman Ecton stated he thought there was a miscalculation on the IMG Tennis Tournament. Ms. Carlisle stated the funding was reduced by 20% based on the fact it is only one event noting the woman's event has moved. Ms. Glick stated she felt the tournament funding should stay the same so they can keep the same level of advertising. Ms. Carlisle stated according to her research in the files it is documented that the funding was 20% less before the women's tournament was added.

Commissioner Dunn stated she felt enhancement of the destination is very important. She further stated she felt maintaining the western heritage and culture is important and in the points for western experiences needed to be increased.

ADMINISTRATOR'S REPORT

Ms. O'Connor stated the Smith Travel Report for the month of August indicates hotel occupancy is up.

Ms. O'Connor passed out the tentative retreat agenda.

UPCOMING EVENTS AND COMMISSION BUSINESS

Chairman Morrow reported the next regularly scheduled meeting would take place, Tuesday November 18, 2003. The TDC retreat is scheduled for November 4, 2003,

PUBLIC COMMENTS

Tim McGrane thanked the Commission for their support of the Barrett-Jackson event.

ADJOURNMENT

There being no further business to come before the Commission, being duly moved and seconded, the meeting was adjourned at 10:30 a.m.

Respectfully submitted,

“For the Record” Court Reporters.